
PRELIMINARY DRAFT

No. 3312

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2009 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 21-44-1; IC 21-44-6.

Synopsis: Psychiatry loan repayment program. Creates the mental health services loan forgiveness program to provide incentives to attract psychiatrists, psychologists, and psychiatric nurses to practice in Indiana. Creates the mental health services loan forgiveness board to administer the loan forgiveness program. Creates the mental health services loan forgiveness account within the state general fund. Appropriates money to the account to fund the loan forgiveness program.

Effective: July 1, 2009.



A BILL FOR AN ACT to amend the Indiana Code concerning higher education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-44-1-1.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2009]: **Sec. 1.5. "Account", for purposes of IC 21-44-6, refers to**
4 **the mental health services loan forgiveness account established by**
5 **IC 21-44-6-7.**

6 SECTION 2. IC 21-44-1-3, AS ADDED BY P.L.2-2007, SECTION
7 285, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2009]: Sec. 3. **(a) "Board", for purposes of 21-44-5, refers to the**
9 **medical education board established by IC 21-44-5-1.**

10 **(b) "Board", for purposes of IC 21-44-6, refers to the mental**
11 **health services loan forgiveness board established by IC 21-44-6-1.**

12 SECTION 3. IC 21-44-6 IS ADDED TO THE INDIANA CODE AS
13 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2009]:

15 **Chapter 6. Mental Health Services Loan Forgiveness Program**

16 **Sec. 1. There is established the mental health services loan**
17 **forgiveness program to be administered by the mental health**
18 **services loan forgiveness board. The purpose of the program is to**
19 **attract and train psychiatrists, psychologists, and psychiatric**
20 **nurses who will provide mental health services in Indiana.**

21 **Sec. 2. The board consists of the following members:**

22 **(1) The dean of the Indiana University School of Medicine or**
23 **the dean's designee. The dean of the Indiana University**
24 **School of Medicine or the dean's designee shall serve as the**
25 **chairperson of the board.**

26 **(2) The chairperson of the department of psychiatry of the**
27 **Indiana University School of Medicine or the chairperson's**
28 **designee.**

29 **(3) The director of the division of mental health and addiction**
30 **created by IC 12-21-1-1 or the director's designee.**

31 **(4) The commissioner of the state department of health or the**



commissioner's designee.

(5) The administrator of a graduate program in an institution of higher education in Indiana engaged in training psychologists.

(6) The administrator of a program in an institution of higher education in Indiana engaged in training nurses.

Sec. 3. The board shall meet initially at the call of the governor. After the initial meeting, the board shall meet at least twice each year at the call of the chairperson.

Sec. 4. (a) Each board member who is not a state employee is not entitled to a salary per diem. The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the board who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) The affirmative votes of a majority of the members appointed to the board are required for the board to take action on any measure.

Sec. 5. The purpose of the board is to develop and oversee a loan forgiveness program designed to attract:

- (1) psychiatrists;
- (2) psychologists; and
- (3) psychiatric nurses;

to provide services to individuals with mental illness in the state by assisting the individuals listed in this section to pay off loans incurred in the training needed to practice psychiatry and psychology and as a psychiatric nurse in Indiana.

Sec. 6. The board shall establish guidelines for the repayment of the loans incurred by a psychiatrist, psychologist, or psychiatric nurse, including the following

- (1) A participant may not receive more than twenty-five thousand dollars (\$25,000) in a year.
- (2) A participant may not receive grants for more than four (4) years.
- (3) The loan repayment grants must be used to attract individuals to practice in Indiana.

Sec. 7. (a) The mental health services loan forgiveness account within the state general fund is established for the purpose of providing grants for loan repayment under this chapter. The



1 account shall be administered by the board. Money in the account
2 shall be used to fund loan forgiveness grants under this chapter.

3 (b) The account consists of:

4 (1) appropriations made by the general assembly;

5 (2) grants; and

6 (3) gifts and bequests.

7 (c) The expenses of administering the account shall be paid from
8 money in the account.

9 (d) The treasurer of state shall invest the money in the account
10 not currently needed to meet the obligations of the account in the
11 same manner as other public money may be invested. Interest that
12 accrues from these investments shall be deposited in the account.

13 (e) Money in the account at the end of a state fiscal year does not
14 revert to the state general fund.

15 (f) Money in the account is continually appropriated.

16 SECTION 4. [EFFECTIVE JULY 1, 2009] (a) For purposes of this
17 SECTION, "account" refers to the mental health services loan
18 forgiveness account within the state general fund established by
19 IC 21-44-6-7, as added by this act.

20 (b) There is appropriated one hundred ten thousand dollars
21 (\$110,000) to the mental health services loan forgiveness account
22 from the state general fund for the fiscal year beginning July 1,
23 2009, and ending June 30, 2010.

24 (c) There is appropriated three hundred twenty thousand
25 dollars (\$320,000) to the mental health services loan forgiveness
26 account from the state general fund for the fiscal year beginning
27 July 1, 2010, and ending June 30, 2011.

28 (d) This SECTION expires July 1, 2011.

